

Message Text

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TAGS: SOPN, EA

SUBJECT: NYTIMES ARTICLE, SUNDAY, APRIL 25

NO. 7

FOR FUNSETH FROM S/PRS

FRONT PAGE STORY BY GWERTZMAN EXCERPTED FYI. "U.S. OIL COMPANIES ARE NEGOTIATING WITH VIETNAMESE, INVITED TO RESUME OFFSHORE EXPLORATION THAT HALTED WHEN SAIGON FELL. MAJOR DEALS POSSIBLE. BUT POLITICAL CHILL BETWEEN WASHINGTON AND HANOI COULD BLOCK PACTS"

DESPITE A CONTINUING CHILL IN POLITICAL RELATIONS BETWEEN HANOI AND WASHINGTON, SEVERAL AMERICAN OIL COMPANIES HAVE BEEN QUIETLY INVITED BY VIETNAM TO SUBMIT PROPOSALS FOR RESUMING THE OFFSHORE OIL EXPLORATION THAT WAS SUSPENDED WHEN SOUTH VIETNAM FELL TO COMMUNIST FORCES A YEAR AGO.

THE AMERICAN OIL COMPANIES, AS WELL AS CONCERNS IN CANADA, FRANCE, JAPAN AND BRITAIN, HAVE HELD CONTINUOUS SECRET NEGOTIATIONS WITH VIETNAMESE AND APPEAR EAGER TO RESUME DRILLING FOR OIL IN POTENTIALLY RICH SOUTH CHINA SEA.

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INFORMATION ON NEGOTIATIONS WAS PROVIDED BY OIL EXECUTIVES

WHO WISHED TO REMAIN ANONYMOUS AND BY STATE DEPT OFFICIALS.
ONE TOP OIL EXECUTIVE SAID IN AN INTERVIEW THIS WEEK THAT
HE WAS CONVINCED "MAJOR CONTRACTS" WOULD BE SIGNED THIS
YEAR WITH HANOI TO EXPLOIT THE OIL RESERVES.

...AMERICAN OIL INDUSTRY OFFICIALS SAID THAT THEIR COMPANIES
WANTED TO DEVELOP OIL AND HAD RECEIVED ENCOURAGEMENT FROM
MIDDLE-LEVEL STATE DEPT OFFICIALS--BUT NONE FROM SECSTATE
KISSINGER. THEY SAID THAT THEY DID NOT KNOW IF NECESSARY
POLITICAL STEPS WOULD BE TAKEN BY VIETNAM AND U.S. TO MAKE
IT POSSIBLE FOR AMERICAN COMPANIES TO SIGN CONTRACTS
ALLOWING THEM TO PARTICIPATE IN DRILLING.

...LAST JULY OIL EXECUTIVES TOLD STATE DEPT OFFICIALS THAT
THEY WOULD LIKE TO NEGOTIATE WITH VIETNAMESE, EVEN THOUGH
THEY COULD NOT SIGN ANY BUSINESS TRANSACTION BECAUSE OF
EMBARGO.

DEPT, ACCORDING TO BOTH ADMINISTRATION OFFICIALS AND OIL
EXECUTIVES, SAID IT WOULD NOT ENCOURAGE SUCH TALKS, BUT
NEITHER WOULD IT DISCOURAGE THEM.

...AT PRESENT SOVIET UNION LACKS OFFSHORE DRILLING TECHNO-
LOGY AVAILABLE IN THE WEST, EXPERTS AGREE, AND VIETNAM
HAS TO TURN TO WEST.

IN DISCUSSIONS, HOWEVER, VIETNAMESE MENTIONED THAT THEY
EXPECTED U.S.G. TO LIVE UP TO A PRIOR COMMITMENT TO PROVIDE
ECONOMIC AID--A PROMISE THAT WASHINGTON HAS RENOUNCED AS
RESULT OF HANOI'S ALLEGED VIOLATION OF OTHER PARTS OF 1973
PARIS CEASE-FIRE ACCORD.

BY LAST FALL, SOUTH VIETNAMESE WERE PRESSING AMERICAN COM-
PANIES TO COME UP WITH SPECIFIC PROPOSALS. AT SAME TIME,
AMERICAN OFFICIALS DISCOVERED THAT A NEW NORTH VIETNAMESE
ENERGY AGENCY WAS NEGOTIATING WITH FRENCH AND JAPANESE
COMPANIES.

THIS PERSUADED THE AMERICAN COMPANIES THAT HANOI WAS THE
REAL POWER AND THEY DECIDED TO NEGOTIATE WITH NORTH VIET-
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NAMESE IN PARIS INSTEAD OF THE SOUTH VIETNAMESE. END TEXT

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